
ESCROW DEPOSIT AND TRUST AGREEMENT

by and between the

COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank**

dated as of April 1, 2011

relating to:

**discharge of the Loan Agreement, dated as of April 1, 1992,
between the Community Improvement Commission of the
City of Alameda and the Alameda Public Financing Authority**

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT, dated as of April 1, 2011, is by and between the COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA, a public body corporate and politic, organized and existing under the laws of the State of California (the "Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, in its capacity as successor to Bank of America National Trust and Savings Association, as trustee under the 1992 Indenture (as defined below) and as escrow bank hereunder (the "Escrow Bank").

RECITALS:

WHEREAS, for the purpose of providing funds to assist in the financing of housing activities within or of benefit to the Agency's West End Community Improvement Project, the Alameda Public Financing Authority (the "Authority") has heretofore issued its \$2,740,000 initial principal amount of 1992 Revenue Bonds, Series A (West End Community Improvement Project – Housing Increment Loan) (the "1992 Bonds") pursuant to an Indenture of Trust, dated as of April 1, 1992 (the "1992 Indenture"), between the Authority and the Escrow Bank, as successor trustee (the "1992 Trustee"), and the Authority loaned (the "Loan") the net proceeds of the 1992 Bonds to the Agency pursuant to a Loan Agreement, dated as of April 1, 1992 (the "1992 Loan Agreement"), between the Agency and the Authority; and

WHEREAS, Section 6.03 of the 1992 Loan Agreement provides that if the Agency shall pay and discharge the entire indebtedness on the Loan by irrevocably depositing with the Trustee (such term, and all other capitalized terms hereafter used in this paragraph and not otherwise defined above, have the meanings given to them in the 1992 Loan Agreement) in trust, Defeasance Obligations in such amount as an Independent Accountant shall certify in writing will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the 1992 Indenture or the 1992 Loan Agreement, be fully sufficient to pay and discharge the indebtedness on the Loan (including all principal, interest and prepayment premiums) at or before maturity, then, at the election of the Agency but only if all other amounts then due and payable under the 1992 Loan Agreement shall have been paid or provision for their payment made, including any amounts owing to the Reserve Fund Credit Provider under the Reimbursement Agreement, the pledge of the Tax Revenues and other funds provided for in the 1992 Loan Agreement and all other obligations of the Trustee, the Authority and the Agency under the 1992 Loan Agreement with respect to the Loan shall cease and terminate, except only the obligation of the Agency to pay or cause to be paid to the Trustee all sums due with respect to the Loan and all expenses and costs of the Trustee; and

WHEREAS, the Agency has determined to provide for the discharge of the 1992 Loan Agreement; and

WHEREAS, for the purpose of providing funds for the discharge of the 1992 Loan Agreement, the Agency has determined to issue its \$_____ Community Improvement Commission of the City of Alameda 2011 Tax Allocation Bonds, Series B (Tax-Exempt) (Merged WECIP/BWIP Project Area) (the "2011 Bonds"), pursuant to and secured by an indenture of trust, dated as of April 1, 2011 (the "2011 Indenture"), by and between the Agency and U.S. Bank National Association, as trustee (the "2011 Trustee");

WHEREAS, the Agency wishes to make a deposit of proceeds of the 2011 Bonds with the Escrow Bank as contemplated by Section 6.03 of the 1992 Loan Agreement and to enter into this

Escrow Deposit and Trust Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Deposit and Trust Agreement.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Appointment of Escrow Bank. The Agency hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Deposit and Trust Agreement and in accordance with the terms and provisions of this Escrow Deposit and Trust Agreement, and the Escrow Bank hereby accepts such appointment.

Section 2. Establishment of Escrow Fund. There is hereby created by the Agency with, and to be held by, the Escrow Bank, as security for the payment of the principal of and interest on the Loan as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Bank on behalf of the Agency and for the benefit of the owners of the 1992 Bonds, said escrow to be designated the "Escrow Fund." All moneys deposited in the Escrow Fund shall constitute a special fund for the payment of the principal of and interest on the Loan in accordance with the provisions of the 1992 Loan Agreement. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 4 hereof, the Escrow Bank shall notify the Agency of such fact and the Agency shall immediately cure such deficiency.

Section 3. Deposit into Escrow Fund; Investment of Amounts. Concurrently with delivery of the 2011 Bonds, the Agency shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$_____ in immediately available funds derived from the proceeds of sale of the 2011 Bonds.

The Escrow Bank shall invest \$_____ of the amounts deposited in the Escrow Fund pursuant to the preceding paragraph in _____, and shall hold the remaining amount so deposited in cash, uninvested. The securities and cash in the Escrow Fund shall be held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

Section 4. Instructions as to Application of Deposit. The total amount held in the Escrow Fund pursuant to Section 3, together with \$_____ held by the 1992 Trustee in the _____ account under the 1992 Indenture, shall be applied by the Escrow Bank for the sole purpose of prepaying in full the Loan on June ___, 2011, by paying on such date the prepayment price of the Loan, being 100% of the then outstanding principal amount thereof, plus accrued interest to the prepayment date, as more particularly set forth in Exhibit A attached hereto.

Incident to such prepayment, the Escrow Bank, in its capacity as 1992 Trustee under the 1992 Indenture, shall give notice of the redemption of the 1992 Bonds as provided in Sections 2.02(a) and (e) of the 1992 Indenture.

Following the final payment of the 1992 Bonds, the Escrow Bank shall transfer any remaining amounts relating to the 1992 Loan Agreement or the 1992 Bonds to the Agency.

Section 5. Compensation to Escrow Bank. The Agency shall pay the Escrow Bank full compensation for its duties under this Escrow Deposit and Trust Agreement, including out-of-pocket costs such as publication costs, legal fees and other costs and expenses relating hereto, pursuant to a separate agreement between the Agency and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes. The obligation of the Agency under this Section 5 to pay compensation already earned by the Escrow Bank and to pay costs and expenses already incurred shall survive termination of this Escrow Deposit and Trust Agreement and shall survive the resignation or removal of the Escrow Bank.

Section 6. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Deposit and Trust Agreement unless the Agency shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written or oral instructions of the Agency or its agents relating to any matter or action as Escrow Bank under this Escrow Deposit and Trust Agreement. The protections, immunities and limitations from liability provided to the 1992 Trustee under the 1992 Indenture shall be afforded the Escrow Bank hereunder and are incorporated herein by reference.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Deposit and Trust Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or any securities deposited therein, the purchase of the securities to be purchased pursuant hereto, the retention of such securities or the proceeds thereof, the sufficiency of the uninvested moneys held hereunder to accomplish the discharge of the Loan, or any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Deposit and Trust Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the Agency, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the uninvested moneys to accomplish the payment of the Loan pursuant to the 1992 Loan Agreement or to the validity of this Escrow Deposit and Trust Agreement as to the Agency and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Deposit and Trust Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Deposit and Trust Agreement and no implied duties shall be read into this Escrow Deposit and Trust Agreement against the Escrow Bank. The Escrow Bank may consult with counsel, who may or may not be counsel to the Agency, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith.

The Agency hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Deposit and Trust Agreement, the

establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Deposit and Trust Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; *provided, however,* that the Agency shall not be required to indemnify the Escrow Bank against its own negligence or willful misconduct. The indemnities contained in this Section 6 and the compensation and reimbursement of expenses set forth in Section 5 shall survive the termination of this Escrow Deposit and Trust Agreement.

Whenever, in the administration of this Escrow Deposit and Trust Agreement, the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Agency, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Bank, be full warrant to the Escrow Bank for any action taken or suffered in good faith by it under the provisions of this Escrow Deposit and Trust Agreement.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of moneys deposited with it to pay the principal of and interest on the Loan.

The Escrow Bank shall incur no liability for losses arising from any investment or other disposition made pursuant to and in accordance with this Escrow Deposit and Trust Agreement.

Any bank, federal savings association or trust company into which the Escrow Bank may be merged or with which it may be consolidated shall become the Escrow Bank without any action of the Agency.

The Escrow Bank shall have no liability or obligation to the holders of the 1992 Bonds or the 2011 Bonds with respect to the payment of debt service by Agency on the Loan or with respect to the observance or performance by the Agency of the other conditions, covenants and terms contained in the 1992 Loan Agreement or with respect to the investment of any moneys in any fund or account established, held or maintained by the Agency pursuant to 1992 Indenture.

The Escrow Bank shall not be liable for any error of judgment made in good faith by an authorized officer.

The Escrow Bank may at any time resign by giving written notice to the Agency, which notice shall indicate the date (not earlier than 60 days after receipt by the Agency of such notice) on which the resignation is to be effective (the "resignation date"). The Agency shall promptly appoint a successor Escrow Bank by the resignation date. Resignation of the Escrow Bank will be effective upon acceptance of appointment by a successor Escrow Bank. If the Agency does not appoint a successor Escrow Bank by the resignation date, the Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Bank. The Agency may at any time terminate the services of the Escrow Bank and appoint a new Escrow Bank hereunder, such termination to take effect only upon acceptance of the appointment by the replacement Escrow Bank.

Section 7. Amendment. This Escrow Deposit and Trust Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 1992 Bonds then outstanding shall have been filed with the Escrow Bank. This Escrow Deposit and Trust Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Agency, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not materially adversely affect the interests of the owners of the 1992 Bonds or the 2011 Bonds, and that such amendment will not cause interest on the 1992 Bonds or the 2011 Bonds to become subject to federal income taxation.

Section 8. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Deposit and Trust Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Deposit and Trust Agreement.

Section 9. Notice of Escrow Bank; Agency. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank at The Bank of New York Mellon Trust Company, N.A., 555 Kearny Street, Suite 600, San Francisco, California 94108, Attention: Corporate Trust Department (or such other address as may have been filed in writing by the Escrow Bank with the Agency). Any notice to or demand upon the Agency shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to the Agency c/o City of Alameda, 2263 Santa Clara Avenue, Alameda, California 94501, Attention: Executive Director (or such other address as may have been filed in writing by the Agency with the Escrow Bank).

Section 10. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank may be merged or converted or with which may it be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as trustee under the 1992 Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 11. Execution of Counterparts. This Escrow Deposit and Trust Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 12. Governing Law. This Escrow Deposit and Trust Agreement shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in the State.

IN WITNESS WHEREOF, the COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA has caused this Escrow Deposit and Trust Agreement to be signed in its name by its Executive Director, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., has caused this Escrow Deposit and Trust Agreement to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

COMMUNITY IMPROVEMENT
COMMISSION OF THE CITY OF
ALAMEDA

By: _____
Executive Director

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Escrow Bank

By: _____
Authorized Officer

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EXHIBIT A
PAYMENT SCHEDULE FOR THE LOAN

Prepayment Date	Principal Prepaid	Accrued Interest	Total Payment
June __, 2011			